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901 - 15TH STREET, N.W.
WASHINGTON, D.C. 20005-2301
(202) 371-6000
FAX: (202) 371-6279

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WRITER'S DIRECT DIAL
(202) 371-6206

November 24, 1997

BY HAND

Ms. Magalie Salas
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Comments of Philips Electronics North America Corporation
ET Docket No. 97-206

Dear Ms. Salas:

Enclosed for filing please find the original and nine (9) copies of the Comments of Philips Electronics North America Corporation in the above-referenced docket.

Please stamp and return to this office with the courier the enclosed extra copy of this filing designated for that purpose. Please direct any questions that you may have to the undersigned.

Respectfully submitted,

Lawrence R. Sidman

Lawrence R. Sidman

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Enclosures

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HOUSTON, TEXAS 77002
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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of	)	
	)	
Technical Requirements to Enable Blocking	)	
of Video Programming based on Program	)	ET Docket No. 97-206
Ratings	)	
	)	
Implementation of Sections 551(c), (d) and	)	
(e) of the Telecommunications Act of 1996	)	

COMMENTS OF
PHILIPS ELECTRONICS NORTH AMERICA CORPORATION

Thomas B. Patton
Vice President, Government Relations
Philips Electronics North America Corporation
1300 Eye Street, N.W.
Suite 1070 East
Washington, D.C. 20005
(202) 962-8550

Lawrence R. Sidman, Esq.
Sara W. Morris
Verner, Liipfert, Bernhard,
McPherson & Hand, Chartered
901 15th Street, N.W., Suite 700
Washington, D.C. 20005
(202) 371-6206

Counsel for Philips Electronics North America Corporation

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COMMENTS OF
PHILIPS ELECTRONICS NORTH AMERICA CORPORATION

I. Introduction and Summary.

Philips Electronics North America Corporation ("Philips") submits these comments in the above-captioned Notice of Proposed Rulemaking ("*NPRM*"), concerning the Commission's proposed implementation of the program blocking (or "V-chip") requirements contained in Section 551(c), (d) and (e) of the Telecommunications Act of 1996 ("the Act").[1]

Philips shares and is committed to aiding the Commission's goals of getting V-chip technology into the hands of parents as expeditiously as possible, and to ensuring that this technology operates in a manner that is both technically capable and user-friendly. Such characteristics, particularly the V-chip's user friendliness, are absolutely vital to the broad acceptance and use of that technology by parents.

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[1] Pub. L. No. 104-104, 110 Stat. 56 (1996).

Regrettably, the Commission's proposal, contained in its NPRM, to require that television receivers be capable of accommodating multiple ratings systems defies this goal. The existence of multiple ratings systems, because they would require significantly more complex user interfaces and increased data processing power, would render the V-chip unacceptably confusing and frustrating for parents to use, while simultaneously reducing the overall performance speed of receivers. Combined, the user-unfriendliness and diminished performance associated with a multiple ratings approach would suppress widespread consumer acceptance and use of the V-chip.

Nor should the Commission require manufacturers to design receivers that are capable of adapting to dynamic program ratings. For analog sets, such a requirement is simply impossible, given that program ratings data cannot be downloaded and V-chip circuitry cannot be reprogrammed without being physically removed and reinstalled inside a receiver.[2]

Consistent with the paramount importance of enhancing consumer acceptance of the V-chip, Philips urges the Commission not to adopt user interface standards in any form. The design of a receiver's user interfaces are key to a receiver's competitive differentiation and best left to the marketplace. Left unregulated, manufacturers are already incentivized not only to provide their customers with the most easy to use interfaces possible, but also to develop new advances, such as voice-activation, that will heighten consumer interest in purchasing new receivers, be they

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[2] The same result holds true for digital TV receivers. Although in theory program ratings may be downloadable in a digital environment, it would not be feasible to accommodate dynamic program ratings without building into the digital receiver vastly greater computing power, a capability that would greatly increase the costs of the digital receiver and, in so doing, threaten the successful rollout of digital television ("DTV"). As discussed *infra*, Philips recommends the Commission defer consideration of rules governing program blocking in digital receivers.

analog or digital. Moreover, the Commission lacks the authority to adopt such standards in implementing Section 551.

In addition to designing and manufacturing a V-chip system which is calculated to optimize parental use of this program blocking capability, Philips shares the Commission's goal of making this technology available to families as quickly as feasible. Rapid introduction of the V-chip into the marketplace depends on adoption by the Commission of both an industry ratings system *and* final technical rules for analog receivers, preferably no later than January 1998. Swift action by the Commission on these two proceedings is essential to providing manufacturers with the certainty necessary to transform the V-chip from mere theory to a reality. Once the Commission has adopted a ratings system and formal technical standards, TV receiver manufacturers such as Philips will require a minimum of 18 months from the date of these FCC approvals to design, develop, test and produce V-chip equipped products.

In light of these prerequisites, the Commission's proposed timetable for implementation of program blocking capability is simply impossible for manufacturers to meet. If adopted, it would seriously risk if not decree the V-chip's failure in the marketplace and its rejection by consumers. Instead, Philips urges the Commission to delay its proposed implementation schedule by 12 months, *i.e,* half of all product models be equipped with the V-chip by July 1, 1999, with the remainder to be so equipped by July 1, 2000. Philips further suggests that the Commission consider one further modification to this schedule: that manufacturers be required to have all *new* models to be V-chip equipped by July 1, 1999, with all remaining models due in compliance by the July 1, 2000 deadline. Such a timetable will give manufacturers sufficient time to develop, test and produce products in a manner that will be most conductive to the V-chip's success and with

minimal disruption to manufacturers' normal product design cycle.

Philips believes it is premature for the Commission to address technical rules for program blocking in digital television ("DTV") receivers at this time, and urges the Commission to defer such consideration until after an industry-developed DTV transmission standard for program ratings has been endorsed by the Electronic Industries Association ("EIA") and the Advanced Television Systems Committee ("ATSC"). Following such endorsement, Philips recommends the Commission initiate a separate Notice of Proposed Rulemaking into the rules required for program blocking in a digital television receiver.

Finally, Philips suggests the Commission exempt from its program blocking rules any receivers designed for use outside the home as a means of avoiding certain chaos among institutional users of television receivers.

II. Philips Electronics North America Corporation.

Philips is a leader in the U.S. segments of global industries such as lighting, consumer electronics, medical imaging, semiconductors, business and professional electronics, and multimedia and entertainent products. Its familiar brand names and products include Philips lamps, Philips-Magnavox televisions and audio-video products, and Norelco electric razors and domestic care products. Philips employs more than 30,000 people in the United States, nearly ten thousand of whom work in its color television-related R&D, design and manufacturing facilities.

Philips is proud to have been instrumental in the development of digital HDTV, beginning with its own research initiated in 1983 and later as a member of the digital HDTV Grand Alliance. In the past eight years, Philips has expended $100 million in private capital to create and

commercialize digital HDTV.

Philips strongly supports the Commission's goal of providing parents with a technological tool to control the television programming that is viewed by their children, and is committed to optimizing the V-chip's acceptance and use by parents. As soon as technically feasible, Philips will integrate the V-chip into its line of television receivers, both digital and analog, in a manner that its customers find simple and easy to use.

III. The FCC's Adoption of A Single Rating System is Critical to the Success of the V-Chip.

In its NPRM, the Commission seeks comment on the wisdom of adopting "an open, flexible approach to the development of industry standards and regulations that would accommodate the possible development of *multiple ratings systems*."[3] Philips believes such an approach is irreconcilable with the Commission's overarching goal of ensuring that parents find V-chip technology as "user-friendly" as possible.[4] The existence of multiple -- and perhaps competing -- ratings systems would be a nightmare for both parents and other viewers, who not only would find the V-chip excessively complicated to program and operate, but who would experience unacceptably slow performance speeds in the everyday operation of the television. In the end, any requirement that the V-chip accommodate multiple ratings likely would quickly scuttle broad consumer acceptance and use of the technology.

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[3] NPRM at ¶ 10 (emphasis added).

[4] As a technical matter, Philips views the revised industry ratings system (consisting of an age-based rating, plus "V", "S", "L" and "D" descriptors) and that adopted by NBC (consisting only of the age-based rating) as one. As such, Philips believes its receivers, using the EIA-608 standard, will be able to accommodate both variations without sacrificing cost or user-friendliness.

A. Multiple Ratings Systems Would Create an Impenetrable Barrier of Complication and Confusion for Parents Attempting to Program Their V-Chip.

The existence of multiple ratings systems will add enormous complexity to a television receiver's user interface, creating an unacceptable amount of confusion for the consumer and a potentially insurmountable obstacle to the broad acceptance and use of the V-chip. It is enough to ask parents to take the time needed to understand and program a V-chip with only one ratings system. To require consumers to navigate among several systems simply goes beyond the realm of reasonable expectation and will almost certainly result in wholesale rejection and non-use of the V-chip by its intended users. Philips need only remind the Commission of the flashing "12:00" that perpetually taunts American VCR owners, who bristle when faced with the task of merely programming their device's clock. In the end, the broader use of a single ratings system must outweigh the questionable benefits of having multiple ratings systems. Consumers must be presented with simple and understandable instructions on how to program their receiver's blocking feature. A single ratings system for all terrestrial broadcast and cable programming will provide the simplicity critical to the V-chip's success.

B. Multiple Ratings Systems Will Sacrifice Television Receiver Performance Speed.

Technically, the EIA-608 standard is capable of accommodating multiple ratings systems. Such capability, however, if utilized, comes at the expense of the television receiver's performance speed, slowing the delivery time and repetition rate of the rating information within VBI line 21. Using the EIA-608 standard and a single ratings system, it is contemplated that the program ratings data would be repeated approximately every three seconds. However, if multiple ratings

are utilized, *i.e.*, more data is transmitted, this repetition rate may slow to four to six seconds. As a result, there will be an increased delay or "latency" before content advisory messages can be inserted into the data channel and acted upon by the receiver. Parents will experience this delay as a four to six second period during which programming otherwise intended to be blocked will in fact be viewable, a shortcoming directly attributable to multiple ratings. Such a delay would likely serve as an additional barrier to the V-chip's acceptance and use by consumers.

IV. The Ratings System Adopted by the Commission Must Not Change Once Adopted, Nor Can Manufacturers Be Required to Design Receivers That Accommodate Ratings Systems Which Do Not Yet Exist.

Twenty-seven million new television sets were sold in the U.S. last year. Millions of analog and digital television receivers will be designed and sold to the public based on the industry ratings system that is ultimately approved by the Commission. It is critical that that ratings system remain unchanged once it is adopted, lest these millions of sets be rendered obsolete with respect to their V-chip capability.

The EIA-608 program blocking transmission standard does not accommodate dynamic ratings or future ratings systems. Similarly, once outside the manufacturer's facility, the "hardwired" V-chip circuitry in an analog television receiver cannot be reprogrammed or "retrofitted" through any mechanism that is either economically feasible for manufacturers or even minimally convenient for consumers. This fundamental limitation -- of both the software and hardware of V-chip equipped analog receivers -- compels the Commission to retain whatever ratings system it ultimately adopts, lest millions of consumers be left with receivers with nonfunctioning V-chips.

Manufacturers such as Philips require the certainty that their products are not doomed to obsolescence. Consumers deserve the certainty of knowing the television they purchase with program blocking capability will continue to have that function as long as they own the set. For those reasons, the Commission should ensure that the ratings system it adopts will remain constant for the foreseeable future.

Additionally, for these same reasons, manufacturers cannot be required to divine the design and composition of ratings systems that may be developed in the future, and, as such, cannot be required to equip their receivers with V-chip technology that decodes systems which do not exist. The Commission itself acknowledges that it cannot adopt formal standards for manufacturers until the industry ratings system has been approved.[5] Philips cannot envision a scenario under which a new ratings systems could be introduced in the future without annulling the program blocking capability of sets already on the market and in homes.

A. The Commission Should Allow, But Not Require, Alternatives to Line 21 Program Blocking.

The Commission seeks comment on whether date/time/channel blocking capability, or other such technologies that do not utilize data transmitted on line 21 of the VBI, would meet the requirements of Section 330(a)(4), and whether the Commission has the legal authority to require manufacturers to equip television receivers with both line 21 and date/time/channel blocking.[6]

Many televisions currently on the market, including Philips models, provide users the

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[5] NPRM at ¶ 17.

[6] NPRM at ¶ 13.

ability to block programming on a time/date/channel basis, and Philips would support rules that provide for its use as an alternative to technology using line 21. Time/date/channel blocking offers consumers an instant and cost-effective alternative to a ratings-based blocking system.[7]

However, Philips does not support, nor has Congress granted the Commission authority to require, the use of data/time/channel blocking in addition to a ratings-based system. Section 330(c)(4) specifically states:

> As new video technology is developed, the Commission shall take such action as the Commission determines appropriate to ensure that blocking service continues to be available to consumers. If the Commission determines that as an alternative blocking technology exists...the Commission shall amend the rules...to require that the apparatus described in such section be equipped with either [a ratings-based blocking technology] or the alternative blocking technology described in this paragraph. [Emphasis added.]

Clearly it was Congress's intention that manufacturers be given the choice of selecting one of two (or more) qualified program blocking systems, should the Commission determine that a suitable alternative to a line 21 based program blocking system exists. It did not intend, nor does the statute authorize, the Commission to require manufacturers to build more than one system into their television receivers. Requiring manufacturers to include more than one blocking technology in their television receivers would represent an unfair and unnecessary financial burden on

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[7] Philips notes that the *Notice*, in its discussion of "date/time/channel" blocking, characterizes that capability as the ability of a television "not to receive a specific program that occurs at a specific time, on a specific date and specific channel." NPRM at Note 25 (emphasis added). Unlike program blocking based on date, time or channel, the technology employing all three factors together is patented and would require licensing for its use. The Commission should avoid mandating a proprietary technology.

manufacturers, requiring them to devote significant sums not only to implementing the new systems, but also to testing and, potentially, redesigning other features to avoid various forms of disfunctionality and non-interoperability. Additionally, multiple blocking systems would unnecessarily drive up the cost of the program blocking technology and add a layer of complexity to the operation of the system by parents. Indeed, such a requirement would run directly counter to the overriding tenet that simplicity in the design of the user interface and the operation of the system is crucial to widespread consumer acceptance and utilization of program blocking technology.

V. The Commission Should Not Dictate User Interface Design for Program Blocking Technology.

The Commission seeks comment on whether it should request the EIA to provide manufacturers with "specific guidance...on how parents should be able to program their television receivers to block programs and steps that should be taken to ensure that children cannot override blocking instructions."[8] While Philips intends to provide clear and detailed instructions to parents regarding the operation of its receivers' program blocking technology, it urges the Commission to refrain from regulating in any fashion a receiver's user interfaces and instead to leave the design and innovation associated with these interfaces in the hands of manufacturers and the marketplace.

The unique design and functionality of a television's user interfaces[9] allows for broad

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[8] NPRM at ¶ 14.

[9] User interfaces include front panel controls, on-screen menus and remote control devices which a viewer uses to control the receiver's functions.

differentiation and distinction among competing product lines, within and among individual manufacturers, providing consumers with a wide array of options when selecting a television that meets their particular preferences and needs. As such, manufacturers have a competitive interest in making their interfaces optimally simple and user friendly. For the V-chip, manufacturers will be similarly incentivized to ensure that the feature can withstand, within reason, the attempts of children to override that feature, thus allaying the fears of parents whose children possess exponentially greater technological savvy than they. After all, it is parents who will be purchasing new televisions, not their children. Philips recognizes that it will be incumbent upon manufacturers to walk the line between making their program blocking interfaces unfriendly to children to disable the V-chip, while still friendly to parents attempting to use it.

Moreover, regulation of receiver user interfaces would stifle innovation. Because user interfaces are designed to enhance a receiver's competitive position in the marketplace, manufacturers have and will continue to introduce more advanced features and capabilities as a means of drawing customers. Such advances, for instance, could include voice activated controls. Any regulation of the characteristics or design of user interfaces would surely stifle such innovation.

In any event, the Commission is right to question its authority to impose user interface standards. Section 551 of the Telecommunications Act of 1996 in no way contemplates, either explicitly or implicitly, that the Commission impose upon manufacturers user interface standards for program blocking technology. Neither does the Commission in its NPRM claim to possess such authority.

VI. The Commission Should Delay Its Proposed Implementation Date by One Year.

Philips is committed to aiding the Commission in its goal of providing parents with blocking technology as quickly as possible. However, given the realities of manufacturers' product development cycle and the lack of formal FCC approval of both a ratings system and the technical rules required to implement such a system, the Commission's proposed timetable is physically impossible for manufacturers to meet.

The Commission, in its NPRM, proposes that television manufacturers be required to provide blocking technology in at least half of their product models with a screen size of 13 inches or larger by July 1, 1998, with the remaining models due to be in compliance by July 1, 1999.[10] From the time the Commission gives its approval to both the ratings system and the rules that are the subject of this proceeding, manufacturers will require approximately eighteen months to bring to market products equipped with the V-chip that do not compromise technical standards of quality or consumer acceptability.

Philips therefore urges the Commission to delay its proposed V-chip implementation dates by one year. The new dates would then become July 1, 1999, for at least half of the product models (or, as proposed *infra,* for all new product models), and July 1, 2000, for the remaining models. To meet these dates, Philips further urges the Commission to release its final Report and Order for the program blocking technical requirements and approve a program ratings system by no later than January 1998. If these actions are not taken by January, development time will be shortened to less than the minimum 18 months required by manufacturers, placing an undue

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[10] NPRM at ¶ 15.

burden on the development cycle and creating unacceptable risk of failure.

A. The Clock Cannot Begin To Run Until The Commission Formally Approves an Industry Ratings System.

The existence of a single, FCC-sanctioned and fully operational program ratings system is sine qua non to the development of television receivers that would be able to block programming based on those ratings. In fact, the clock cannot begin to run down toward a product delivery deadline until such a ratings system becomes official. Again, the Commission itself acknowledges in its NPRM that adoption of as an industry ratings system must occur before the Commission adopts final rules implementing the requirements being placed on manufacturers.[11] Manufacturers must have the *certainty* of knowing the precise nature and specifications of the industry ratings system before they are able to design and develop their receivers' user interfaces (*i.e.*, the manner in which function-based information is displayed on the screen and controlled by the viewer using a remote control). As discussed *supra*, the functionality and user-friendliness of these user interfaces are an important feature of all receivers manufactured by Philips and will be essential to ensuring broad acceptance and use of the V-chip by consumers.

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[11] Id. FCC approval of a single (i.e., not multiple) ratings system also will play a determinative role in Philips's ability to bring receivers with blocking technology to the market expeditiously, as discussed above.

B. Manufacturers Will Require a Minimum Development Cycle of 18 Months for the V-Chip Which Cannot be Compressed Without Jeopardizing the Successful Rollout of the V-Chip.

The development cycle for the V-chip, from the beginning of its initial design phase to the product's delivery to consumer markets, is approximately 18 months. This process includes several rounds of production and testing, both of individual elements and integrated components and, as such, is critical to ensuring that the products consumers purchase are of optimum quality and easy to use. Specifically, the development process will include:

- Integrated circuit design and development;
- User interface design and development (which is wholly dependent upon the manufacturers' knowing the precise nature of the ratings system to be employed);
- Hardware and software system design and development;
- Lab builds (*i.e.*, construction of at least two generations of laboratory prototypes);
- Laboratory testing of each generation of "lab builds;"
- Factory builds (*i.e.*, retooling and construction of at least two generations of fully designed receivers);
- Field testing of the "end-to-end" program blocking system;
- Release of final software; and
- Final production.

Many of these steps, particularly those related to testing and production, are wholly dependent on externalities beyond any control of the manufacturer. For example, in order to

determine that receivers equipped with program blocking capability are fully functional in the "real world," broadcasters will first have to be transmitting encoded ratings data with their programming. Field tests utilizing such transmitted encoded ratings are indispensable to development of an acceptable product. Otherwise, it is possible that television receivers will be developed -- and bought by consumers -- with V-chip technology that is less than fully functional. Philips reminds the Commission that one manufacturer experienced such a problem in the past in connection with closed captioning because of the lack of line 21 field 2 data at the time of implementation.

It is also important to note that several rounds of lab builds and testing are required for each product, followed by at least two factory builds prior to production, and are essential to ensuring the integrity and product life of the TV receiver that is purchased by consumers. Finally, a 16-week lead time is required to order parts prior to production of any new or redesigned receiver.[12]

Philips has developed and refined this development process over the course of many years. Strict adherence to this production cycle is essential for the successful introduction of new features in its television receivers and to ensuring that these new advances are both quality-tested and user-friendly before they are made available to the general public. Philips will not put its customers at risk by straying from this proven regimen, nor should the Commission seek to require it to do so if the result will be to compromise if not condemn the V-chip's success.

It is axiomatic in the consumer electronics marketplace that consumers reject products

[12] This includes the integrated circuit that contains the masked ROM software for implementing a program blocking system.

they find to be of inferior quality, are cumbersome to operate, or that function illogically. The V-chip, though apparently embraced by the public in theory, will face extraordinarily high, perhaps unrealistically high, expectations when it first hits the market in television receivers. The Commission has as an obligation to ensure, therefore, that the first generation of sets equipped with V-chip technology meets, or even exceeds, these expectations to the greatest extent possible. A delay of only one year in its retail availability will be far easier for consumers to understand than would be their swifter purchase of a receiver who's V-chip (and potentially other related functions) do not work as they are intended or are impossibly difficult or cumbersome to operate.

Philips recognizes the enormous political importance attached to the V-chip, and is prepared to work aggressively to incorporate it as quickly as practicable into all of its TV receiver models 13" or greater. The most reasonable approach to introduction of the V-chip feature is to integrate it into the normal cycle for product redesign and refinement. Typically, manufacturers redesign less than half of their product line each year, and new products are introduced in July or August in ample time for the Christmas shopping season. In its NPRM, the Commission already has signaled its acceptance of a phase-in of the V-chip for all covered products over two years, utilizing a July 1 date for compliance. Philips supports this approach, again subject to the 12 month delay discussed above, with the additional caveat that manufacturers be required to equip only their *new* models by July 1, 1999, with all other models due in compliance by July 1, 2000.

C. Congress Intended the Two-Year Period in Section 551(e)(2) to Serve As Floor, Not a Ceiling.

Rather than set a date certain by which to require manufacturers' compliance with the law, Congress, in crafting Section 551(e)(2), established a minimum of two years to allow for the activities and actions needed to occur prior to manufacturers' compliance with the V-chip requirement.[13] During this period, it was anticipated that, first, broadcasters and other video programming distributors were to adopt voluntarily, and the FCC would approve, a system for assigning and transmitting ratings for all programs according to their amount of violence, sexual situations and adult language. Concurrently, the FCC, in consultation with manufacturers, would develop technical specifications and rules by which manufacturers would include program blocking technology in their receivers, and set a final effective date by which sets must be in compliance with those requirements. And finally, manufacturers, equipped with the FCC's final rules to guide them, would implement the requirements and make available to consumers sets equipped with the program blocking technology.

It was hoped that these events would unfold swiftly following enactment of the Act. Had that happened, manufacturers, though arguably already squeezed for time given the complexity of the undertaking and their normal 18 to 24 month product cycle, might have had sufficient time to make the necessary changes to their products to incorporate V-chip technology by July 1, 1998, as proposed by the Commission. But in fact that scenario did not play out as expected. Indeed, more than twenty-one months have elapsed since passage of the Act and there still is no

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[13] Section 551(e) of the Telecommunications Act of 1996 requires the Commission to make blocking technology rules effective no sooner than two years after enactment of the Act, or February 8, 1998.

Commission-approved industry ratings system. Obviously, the instant rulemaking proceeding remains open. Both of these proceedings must be concluded prior to there being the requisite certainty to commence the 18 month development cycle discussed above. It simply would be unfair, unreasonable and, above all, unwise to attempt to compress 18 to 24 months of design, development, testing and manufacturing into a space of less than 6 months.

Moreover, such a telescoped time frame flies in the face of the flexible approach contemplated by Congress. Had it intended to treat the 2-year implementation window as a ceiling instead of a floor, it would have done so expressly as it did in the Television Decoder Act of 1990 ("the Decoder Act"), which imposed requirements on manufacturers for closed captioning analogous to those embodied in Section 551 of the 1996 Telecommunications Act.[14]

In fact, Philips recommends that the Commission look back to its implementation of the Decoder Act as a model for the instant proceeding. In that instance, the Commission acknowledged the need to adopt standards rapidly in order to give manufacturers sufficient time to redesign and build their product lines and accordingly adopted final rules implementing those requirements within 6 months of the law's enactment.[15] As a result, manufacturers had sufficient time (27 months) to bring their sets into compliance with the law without major disruption or loss

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[14] Pub. L. 101-431 (1990). In the Decoder Act, Congress adopted a date certain approach whereby manufacturers were required to include closed captioning circuitry in all sets manufactured or imported into the U.S. with screen sizes of 13 inches or larger. It should be further noted that the date certain specified in that Act provided manufacturers with 3 years to comply with its requirements, even without first requiring a separate but crucial threshold rulemaking such as the adoption and approval of as an industry ratings system.

[15] *Report and Order* FCC 91-119, GEN Docket 91-1, 6 FCC Rcd 2419. The Decoder Act was signed into law on October 15, 1990, with an effective date for compliance by manufacturers of July 1, 1993. The Commission adopted its final rules on April 15, 1991.

of quality and functionality.

Philips' suggestion to push back the proposed timetable for compliance by one year to July 1, 1999, for all new product models and July 1, 2000, for all remaining models is thus fully consistent and, in fact aggressive, within the context of not only engineering and production requirements but also within the context of the two year minimum set forth in Section 551(e).

VII. The Commission Should Amend Its Rules to Ensure the Integrity of Ratings Information by Various Video Programming Distribution.

Philips supports the Commission's proposal to clarify its rules to require both cable television systems and television broadcast stations not to delete or modify program ratings information carried on line 21 of the VBI.[16] Such a clarification is a reasonable and necessary step to guaranteeing the transmission and integrity of program rating information from the encoded site to the consumer's final receiving apparatus.

Moreover, as the Commission correctly notes in the *Notice*,[17] such a requirement would appropriately harmonize the Commission's program blocking rules with its current rules protecting closed captioning data carried by cable television systems and terrestrial broadcasting stations from being removed or altered,[18] while not imposing an undue burden on video programming distributors.

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[16] NPRM at ¶ 20.

[17] Id.

[18] *See* 47 C.F.R. § 76.606. *See* also *Report and Order* in MM Docket 95-176, adopted August 7, 1997.

VIII. Philips Supports the Commission's Proposed Adoption of the EIA-608 Standard for Transmission of Program Ratings Data.

Philips supports the Commission's proposed adoption of EIA-608, "Recommended Practice for Line 21 Data Practice," as the standard by which all television receivers with picture screens 13 inches or larger receive program ratings transmitted on line 21 of the VBI, [19] with the clarification that the Commission should incorporate recently adopted modifications to that standard.[20]

IX. The Commission's Consideration of Technical Rules Implementing Program Blocking Capability in DTV Receivers is Premature Prior to the Industry's Formal Endorsement of a DTV Standard for Program Blocking.

Until the industry-led process of developing a standard for the transmission of program ratings data in digital receivers has been concluded, it would be premature for the Commission to address technical rules for program blocking in digital television receivers. Accordingly, Philips urges the Commission to defer such consideration until after an industry-developed DTV transmission standard for program ratings has been endorsed by the Electronic Industries Association and the Advanced Television Systems Committee. Following such endorsement, Philips recommends the Commission initiate a separate Notice of Proposed Rulemaking into the

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[19] NPRM at ¶ 9.

[20] On September 24, 1997, Committee R4 of EIA, which is responsible for the EIA-608 standard, balloted and approved EIA document 744 ("EIA-744"), "Transport of Content Advisory Information Using Extended Data Service (XDS)," as an EIA standard to specifically address the line 21 XDS packet for transporting program ratings. EIA-744 references and is to be implemented in conjunction with EIA-608, and will be incorporated into the next revision of that standard. The Commission should reference EIA-744 in its final rules. To the extent the Commission commits to doing so, Philips supports the use of EIA-608 as the industrry standard for the transmission of program rating data within NTSC VBI line 21.

rules required for program blocking in digital television receivers.

X. The Commission's Rules Should Exempt Receivers Designed for Use Outside the Home.

Philips is the leading manufacturer of institutional television receivers in the United States. These sets are designed specifically for use in hospitals, hotels, schools, airports, and various business environments (such as bars and restaurants) where more than one person views and/or operates the television. Depending on the setting, these sets are used to receive standard video programming fare (via over-the-air broadcast signals, cable, DBS, SMATV, MMDS) as well as internal programming or information such as airline departure/arrival information, hotel check-out, etc.

There is no evidence that Congress, in enacting Section 551, intended for these institutional-use receivers to be equipped with program blocking technology. Such a requirement not only would be unnecessary in many circumstances (as it would be for receivers not intended to display traditional video programming services), but could potentially be immensely disruptive to those entities who depend upon these receivers to work according to a predetermined, consistent set-up.

One can easily imagine the chaos that would result, for instance, were the V-chip in a hotel room television programmed by one guest to block certain categories of programs needs to be un-programmed by the next. Similarly, venues such as airports and bars, which purchase and provide televisions for the entertainment of multiple, transient viewers, have no foreseeable need for the V-chip. After all, this technology is, at its essence, a device Congress and the Commission intend to be used by parents in their own homes.